

DNR NEWS

Energy and Waste Management Bureau

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VOLATILE SPRING GASOLINE PRICES SHOULD STABILIZE

DES MOINES — Iowa's gasoline prices have experienced several up-and-down swings in the last few weeks, according to DNR energy data analysts. After a significant drop in gasoline prices in April and early May, a mid-May prices spike had gasoline prices rising again. DNR energy analysts now believe stable prices for Iowa are on the way, barring any supply concerns.

"Gasoline prices are expected to decrease again and level off for a few weeks, if there are no further problems with supply," said Angela Chen, energy data analyst for the DNR.

From April through early May, Iowa's gasoline prices ranged in the high-\$1.30s to the low-\$1.40s across Iowa, due to lower oil prices and few gasoline-related refinery problems. However, by Mid-May, gas prices spiked \$0.03 to \$0.12 across the state. Spot-market prices have risen in the nation due to tight inventories, talk of potential OPEC oil production cuts, the bombing in Saudi Arabia and problems at several gasoline refineries. Prices have risen more quickly, and to higher levels, in the Midwest because of an extremely tight inventory situation.

According to the DNR's May fuel price survey, gasoline prices increased \$0.03 cents from April to an average of \$1.49 for a gallon of self-serve, regular unleaded gasoline. Prices across the state ranged from \$1.37 to \$1.62 per gallon and are \$0.17 higher than this time last year. The average price for regular unleaded with ethanol was \$1.47 per gallon. The latest data shows ethanol-blended gasoline represents 63.2 percent of the market share.

Retail conventional unleaded gasoline prices in Iowa are \$0.06 higher than the national average of \$1.43 per gallon and \$0.08 higher than the regional average of \$1.41 per gallon.

Crude oil finished trading on May 16 at \$29.23 per barrel, up \$0.05 from last month. One year ago, crude was \$28.19 per barrel. National crude oil inventory is at 284.5 million barrels, down 9.9 percent from the previous year and below the normal range. Crude has traded in the \$25 -\$30 range during the past month, fluctuating on warnings by OPEC of oil oversupply, continued civil unrest in Nigeria and the recent bombing in Saudi Arabia. The DNR expects crude oil prices to remain volatile while U.S. inventories are relatively low, with prices ranging between \$25 to \$29 per barrel.

The average price of self-serve diesel fuel for April was \$1.47, down \$0.04 from last month and \$0.05 higher than the regional average of \$1.42 per gallon. Diesel fuel was \$1.32 per gallon one year ago. Diesel fuel prices dropped along with the price of crude oil.

Propane

The May 15 survey found the average price of propane was \$0.93 per gallon. This is \$0.01 lower than the previous month and 14.8 percent above the retail price of propane at this time last year. The price decrease was caused by lower demand as the heating season ended.

Heating Oil Prices

The May 15 survey found the average price of No.2 heating oil was \$1.09 per gallon, \$0.04 lower than the previous month and 14.7 percent above the price of heating oil at this time last year. The price decrease was caused by decreased demand as the heating season ended.

MOTOR FUELS SURVEY

| Self-Serve | April 17 | May 19 | Change |
|-------------------------------|-----------------|---------------|---------------|
| Regular Unleaded | 1.46 | 1.49 | +0.03 |
| Regular Unleaded with Ethanol | 1.43 | 1.47 | +0.04 |
| Premium Unleaded | 1.58 | 1.60 | +0.02 |
| Diesel | 1.51 | 1.47 | -0.04 |
| Full-Serve | April 17 | May 19 | Change |
| Regular Unleaded | 1.58 | 1.59 | +0.01 |
| Regular Unleaded with Ethanol | 1.61 | 1.61 | No change |
| Premium Unleaded | 1.67 | 1.77 | +0.10 |
| Diesel | 1.66 | 1.49 | -0.17 |

HEATING FUELS SURVEY

| | April 14 | May 15 | Change |
|----------------|-----------------|---------------|---------------|
| Propane | 0.94 | 0.93 | -0.01 |
| #2 Heating Oil | 1.13 | 1.09 | -0.04 |

AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

| | April 17 | May 19 | Change |
|------|-----------------|---------------|---------------|
| Ames | 1.46 | 1.50 | +0.04 |

| | | | |
|---------------------|------|------|-------|
| Cedar Rapids | 1.41 | 1.48 | +0.07 |
| Council Bluffs | 1.42 | 1.47 | +0.05 |
| Davenport | 1.44 | 1.42 | -0.02 |
| Des Moines | 1.50 | 1.51 | +0.01 |
| Dubuque | 1.45 | 1.49 | +0.04 |
| Fort Dodge | 1.52 | 1.57 | +0.05 |
| Iowa City | 1.50 | 1.52 | +0.02 |
| Sioux City | 1.41 | 1.49 | +0.08 |
| Waterloo | 1.45 | 1.44 | -0.01 |
| Average Metro Price | 1.45 | 1.49 | +0.04 |

AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

| | April 17 | May 19 | Change |
|--------------------|-----------------|---------------|---------------|
| Northeast | 1.48 | 1.46 | -0.02 |
| Northwest | 1.49 | 1.52 | +0.03 |
| Southeast | 1.43 | 1.50 | +0.07 |
| Southwest | 1.47 | 1.50 | +0.03 |
| Rural Area Average | 1.47 | 1.49 | +0.02 |

WHOLESALE PRICES IN METROPOLITAN AREAS AROUND IOWA

| Unleaded (cents per gallon) | April 11 | May 8 |
|---------------------------------------|-----------------|--------------|
| Des Moines | 93.89 | 89.79 |
| Dubuque | 93.93 | 89.17 |
| Diesel Fuel (cents per gallon) | April 11 | May 8 |
| Des Moines | 87.77 | 80.88 |
| Dubuque | 88.58 | 81.95 |

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